

Proposal for 5th Congress of Asian and Pacific Studies

Scalar Dynamics in Development Processes in India and China

Coordinator: Loraine Kennedy

This panel focuses on the role of subnational economic, social and political dynamics to examine economic development in China and India. In doing so, it builds on an emerging body of literature, mainly rescaling theory, which asserts that subnational dynamics have become increasingly significant in contemporary forms of capitalist development. Not only are sub-national scales more important as “sites” for the accumulation of capital, they have also emerged as critical scales for political/regulatory functions within the territorial administration of the state. This is illustrated by the economic and political rise of cities and by mounting evidence in many countries of increasingly distinct subnational policy regimes, both a reflection of and a catalyst for intensifying uneven development. These policy regimes are characterised for instance by the investment climate they seek to create for firms, labour relations they promote and policy/media discourses aimed at legitimising policy or ‘signalling’ to actors situated at other scales. This panel will critically engage with this state rescaling theory by examining case material from India and China. This body of theory has been elaborated and debated primarily on the basis of European and North American contexts, and remains largely understudied in Asia, where the world economy’s major growth engines are located.

Keywords: state spatial rescaling; state restructuring; subnational states; subnational policy-making; subnational political economy; China; India; scalar dynamics; economic development

Presenters:

Jean-Francois Huchet, Loraine Kennedy, Damien Krichewsky, Tak-Wing Ngo, Elfie Swerts

1. Jean-Francois Huchet: Local public finance, land use, urban construction: changing patterns of growth and the role of the state in China

An important part of China's growth during the past fifteen years has been based on real estate construction and urban infrastructure. Complex public local financial packages are at the heart of the financing of this growth. The presentation will analyze how this funding is now facing significant financial, political and environmental limitations. The presentation will also explore the implications of the

current reforms in the tax system and local debt refinancing and the impact they could have on the role of the state in the domestic economy, particularly in the Centre-Local government relations.

2. Loraine Kennedy: Engaging with State Rescaling Theory in India and China

The aim of this paper is to discuss recent trends in multi-level policy-making and governance in China and India in relation to state rescaling theory (Brenner et al. 2003; Brenner 2004). In particular it will examine the analytical distinction between 'rescaling' and 'decentralisation' in each national context. In India attempts at decentralisation in the 1990s did not lead to an effective devolution of power to municipal governments (Ruet, Tawa Lama-Rewal 2009, Sivaramakrishnan 2011) and current rescaling processes are largely unrelated. However, both the central and regional states are leveraging large cities as growth engines, through space-based policy instruments (Kennedy 2014). In contrast, in China, there has been a gradual yet significant decentralisation process underway since the partial introduction of market reforms in the late 1970s and local authorities are now expected to balance their budgets, promote local economic growth, and ensure social stability. In this context, growth strategies pursued by subnational political elites can be linked to this expanded policy space. Beyond these important differences, the paper reviews the small but growing body of literature on rescaling in Asian contexts.

3. Damien Krichewsky, Scalar DynamIC: a research agenda for examining Scalar Restructuring Processes en India and China

In both India and China, rescaling processes linked both to globalisation and internal political developments have enhanced the scope of subnational actors to shape the factors conditioning industrialisation. In China, subnational scales have become increasingly significant sites of economic regulation over the last few decades as provincial and municipal officials negotiate or claim greater autonomy for devising industrial policies. In India, political mobilisation at all spatial scales, and the advent of national coalition governments, has given regional political parties and State governments greater bargaining power vis-à-vis New Delhi, including for devising economic development policies. This aim of this paper is to briefly review the literature on this topic, and present the main research questions and methods for investigating, on the basis on a new Franco-German research project, ScaleDynamIC (2015-18). Whereas the increasing importance of subnational scales – in particular large cities and metropolitan regions – as engines of economic development has been observed and analysed extensively in Western contexts, this important phenomenon is under-studied and under-theorized in Asian contexts.

4. Tak-Wing Ngo: Competitive and Cooperative Regionalism in China's Multi-Scalar Politics

Recent literature has underscored the increasing importance of sub-national territorial units as sites of growth, competition, and political contention in a changing global order (Keating 1998; Sellers 2002; Brenner 2004; Ward, Jonas 2004). Sub-national territorial growth and competition are shaped both by domestic and global forces, the most important domestic factor being the devolution of state power and the decentralization of economic control. Under certain conditions, such decentralization has enabled local governments and stakeholders to craft their development policies to maximize the advantage accruing to their own localities, a process occurring in tandem with current developments in the global capitalist economy where cities and metropolitan regions have become the focal points of exchange and accumulation (Sassen 2012). This paper argues that state re-scaling in China follows a different logic compared with Western countries. Drawing on fieldwork findings on development zones in a number of regions in China, the paper documents the manner in which local authorities mobilize policy instruments to create multiple scales with overlapping jurisdictions.

5. Elfie Swerts: Multi-scalar analysis of the spatial deployment of multinational corporations in India and China

In a context of increasing globalization, the main objective of this study is to evaluate, in India and China, the impact of territorial and political specificities and constraints on the development of transnational economic networks (trade, investments, production chains) at national, regional and local levels. The structural and dynamic properties of these networks are investigated through the analysis of the behaviour of multinational corporations acting across multiple spatial scales from the intra-urban to the global. This provides a window for analyzing the diversity of globalization dynamics, which articulate different scales of observation. The presentation will focus on examining how administrative and economic characteristics of urban territories influence the location strategy of multinational corporations, with a distinction between domestic and foreign firms.